



WMC

WISCONSIN'S BUSINESS VOICE SINCE 1911

To: Assembly Labor Committee Members

From: James A. Buchen, Vice President of Government Relations

Date: February 24, 2010

Re: Support for Assembly Bill 706—Recommendation of the Wisconsin
Workers Compensation Advisory Council

Wisconsin Manufacturers and Commerce supports the provisions of Assembly Bill 706, the product of deliberations by the members of the Wisconsin Workers Compensation Advisory Council (WCAC), on which I serve as a Management Representative.

In its 2009-2010 deliberations the WCAC considered a wide range of issues and the reform proposals before you represent the product of those deliberations. For example the WCAC recommends increasing the maximum allowable burial expense, in response to legislative requests to review that area. The bill increases benefits payable to many claimants with older Permanent Total Disability claims with the maximum weekly benefit increasing from \$458 per week to \$582 per week. The WCAC also recommends a ten dollar per week increase in Permanent Partial Disability benefits.

A great deal of the WCAC's deliberations were focused on the area of escalating health care costs. Both Management and Labor Representatives on the WCAC met with the Council's health care advisory representatives. While progress was made in more clearly understanding the parameters of the issue, those deliberations did not produce a comprehensive reform proposal, and discussions will continue into the next cycle of the WCAC's work.

On behalf of the Management Representatives on the WCAC I want to thank the Chair of the Assembly Labor Committee for scheduling this hearing. I also want to thank the present and past Committee Chair's present for their ongoing support of the Advisory Council process. In many states and jurisdictions these matters become politically contentious, to the detriment of all parties at interest.

In closing, I ask for your vote in support for Assembly Bill 706, and again thank you for this opportunity to address the Assembly Labor Committee.



Wisconsin State AFL-CIO *...the voice for working families.*

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

TO: Members of the Senate and Assembly Labor Committees
FROM: David Newby, President (and Member of the Workers Compensation Advisory Council)
RE: Support for Workers Compensation Bill (AB 706 and SB 522)

As with any Workers Compensation bill the Advisory Council brings to you, the bill itself is a mixture of technical corrections, administrative updates, and clarifications—as well as matters of greater substance agreed upon unanimously by both the labor and management members of the Council.

Because the bill is mutually agreed upon, it seldom contains major changes that favor one side or the other. That is the case once again in this bill.

But I would like to point out a few aspects of the bill which are both fair and which strengthen the Workers Compensation system for injured workers.

First, we make it clear that volunteer emergency responders are covered from the time they are paged or called to respond to an emergency to the time of their return (as long as they do not deviate in their travel for other purposes). This provision parallels the coverage for paid workers.

Second, the weekly benefit rates for those with permanent partial disabilities are increased by \$10 in each year of the bill, roughly compensating for expected inflation in that period.

Finally, we are very proud to point out that benefit rates for those determined to be permanently and totally disabled a number of years ago have been significantly increased. This has been labor's number one issue for the past three bills. Unfortunately, weekly benefits for those permanently and totally disabled are not indexed for inflation. While we have been able to make some progress in the past couple of bills in raising the minimum benefit level (by tying it to a more recent year), progress has been slow and those on PTD benefits have suffered significantly. Currently, for anyone determined to be permanently and totally disabled before 1993, the rate in effect in 1993 (\$450) is the highest for which they are eligible.

In the bill before you today, that floor is raised to the benefit rate in effect in 2000 (\$582), thus giving these seriously injured workers closer to a living income.

It is our hope that in the next bill brought to you that we can raise all workers previously receiving PTD benefits up to the current level—and then index that rate for inflation going forward. Those who are permanently and totally disabled deserve no less.



Wisconsin State Fire Chiefs Association

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DATE: February 23, 2010
TO: Assembly Labor Committee
FROM: Wisconsin State Fire Chiefs Association
RE: Assembly Bill 706

The Wisconsin State Fire Chief's Association asks that you please support Assembly Bill 706. This bill will help provide the necessary worker's compensation coverage for our volunteer firefighters, emergency medical technicians and first responders.

The residents of Wisconsin benefit from the generous volunteers who provide emergency services to our communities while keeping the costs for these services to our communities at a minimum. Approximately 87% of the State of Wisconsin's firefighters are volunteer. It is extremely important that we provide the necessary workers compensation coverage for these volunteers when responding to emergency incidents and when returning from incidents in their private vehicles. It was recently discovered that at least one workers compensation carrier did not provide workers compensation for the volunteer responder when that responder was involved in an accident in their private vehicle in Wisconsin. At the time of this incident the workers compensation carrier did not provide coverage for the volunteer responding to an emergency incident placing a hardship upon the volunteer and their family. This bill will provide the same consistent workers compensation coverage for all volunteers when serving their community. If we can not provide adequate workers compensation coverage for the volunteers protecting our residents and our communities we are going to see a reduction in the number of volunteers willing to take the risks that they are taking to protect our communities.

Please help us protect our communities and provide adequate workers compensation coverage for the volunteers that are working hard to protect our communities. Please support Assembly Bill 706. If you have any questions please call Dave Bloom, Legislative Liaison at 608-444-3324.

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February 24, 2010

Assembly Committee on Labor

Assembly Bill 706

Representative Peter Barca

Chairwoman Sinicki and members of the Assembly Committee on Labor, thank you for allowing me to testify on Assembly Bill 706, which makes a number of changes to the Wisconsin Worker's Compensation program.

As you consider this bill, I would encourage you to examine further modifications to the bill based on the experience of my constituents, Mark and Tammy Wilde of Kenosha. Mark and Tammy are the parents of Robbie Wilde, a young man who was tragically killed a year ago during the robbery of the ice cream stand where he worked. Robbie was 18 years old with no dependants of his own.

Following this, Mark and Tammy were informed that they would not receive any funds from Worker's Compensation because under current law, compensation is not paid to parents of an individual without dependants. I understand that if their son had dependants that the dependants would have been entitled to a maximum of about \$48,000.00.

I would also ask you to please consider, especially for cases where the death is caused under such violent circumstances, providing the funds to the county in which the victim resided in order to establish a victim's fund. This fund could be used to fund grief counseling for members of families of individuals whose lives have been changed by the loss of a family member on the jobsite or for other related services.

Under current law, the only funding available to the families of victims such as my constituents, if not dependent, is a \$6,000 statutory stipend to cover burial expenses and \$6,500 from a survivor's fund, meant to handle related expenses. This is little compensation for the actual cost of a modest burial. I am pleased to see that Assembly Bill 706 increases the amount allocated for burial costs to actual costs up to \$10,000, but would ask that as end-of-life costs continue to increase that the Worker's Compensation Advisory Council and members of the Assembly and Senate Labor Committees consider increasing the amount to cover all necessary burial expenses, including plot and headstone. This would be especially helpful under circumstances such as this where the family receives so little compensation.

Thank you for your time today. In closing, I hope that you will consider this situation and my suggestions to ensure that the families in these situations are treated with the highest levels of sympathy and fairness.



Department of Employee Relations

February 23, 2010

Tom Barrett
Mayor

Maria Monteagudo
Director

Michael Tobin
Fire and Police Commission
Executive Director

Michael Brady
Employee Benefits Director

Troy Hamblin
Labor Negotiator

Senator Spencer Coggs
Representative Christine Sinicki
Wisconsin State Capitol
Madison, WI 53708

Re: Assembly Bill 706 and Senate Bill 522

Dear Senator and Representative,

In our role as a major Milwaukee employer that self-administers worker's compensation claims for city employees and the Milwaukee School Board, we have reviewed the provisions of Assembly Bill 706 and Senate Bill 522 to determine their impact on our operations.

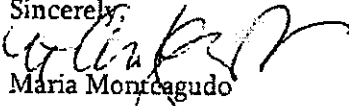
As a result, we would like to point out two provisions that cause concern for us:

Our first concern is the increase in the burial cost allowance from \$6,000 to \$10,000. An informal survey of six area funeral homes representative of the Milwaukee market revealed that the medium level service average cost is \$6,085 with \$8,025 being the highest cost within the average. Therefore, we are concerned that a rate increase of over 66% for this provision is not warranted especially during tough economic times. We respectfully ask that you reconsider the \$10,000 cap.

The second concern can be found under the section "Assessment and Surcharges," where the current 90-day timeframe to review the annual assessment is reduced to 30 days. The City of Milwaukee's 2010 annual assessment contained 726 claims. It would be impossible to review the entire report within the shortened 30-day window as proposed. This change would lead to increased costs by either requiring us to hire temporary staff or to incur the late fees. Other large employers are likely to face the same dilemma. Therefore, we ask that you reconsider shortening this timeframe.

Thank you for your consideration of our concerns. If you have any questions, please feel free to contact me at (414) 286-3335.

Sincerely,


Maria Monteagudo
Employee Relations Director